

June 30, 2008

Ms Jennifer Johnson
Secretary, Board of Governors
Federal Reserve System
20th St and Constitution Avenue, NW
Washington, DC
20551

RE: Docket Number R-1286 and Ms Alvina Louise Williams dispute

Dear Ms Johnson:

I have recently had a very similar experience as Ms Alvina Louise Williams with Sears MasterCard and their affiliate, CitiCorp Credit Services. As is explained in detail this all started with a misrepresentation made by Sears offering a \$10 rebate for using my Sears card to make a Sears purchase. When I saw the offer in the store, I decided to take advantage of the offer and use the Sears card that I had recently received in the mail. I had terminated my account with Sears many years prior to this time. I had not had a Sears card for many years. I have no idea what the card number was on the original card. I also don't have any recollection of ever using it. I activated the card went back to the store and made the purchase...a tool chest costing less than \$100. When the cashier rung up the sale, I noticed that he did not deduct the \$10 and asked about it. He responded that it would be taken off on the billing statement.

Needless to say, when I received the statement, it did not include the credit for the \$10. I could not return the item because I gave it away as a Christmas present. I called the number on the credit card number and spoke with a customer service person. He informed me that the offer only applied to first time card users. However, the offer that was with the card did not indicate that it only applied to first time users. It applied to the first time that you used the card. Clearly, this was a bait and switch tactic designed to trap the public into using the card when people received their new card in the mail. His interpretation was that since I had a Sears card at some point in my life, it was not the first time that I ever used a Sears card. I informed him that this was similar to the other offer included in the billing statement offering "all" of the 46 new state quarters in uncirculated condition. "All" would have been 100 quarters and in fact they have not yet all been minted yet. I notified this person that I disputed the charge and asked to speak to a supervisor. He told me that none were available at that time. I then told him that I would terminate the card. He offered to process the termination immediately and I accepted.

In accordance with Mastercard procedure, I then wrote the letter to the address on the Sears statement disputing the charge. Contrary to Mastercard procedure, I did not receive any acknowledgement of or response to this dispute. By procedure, the charge should have been suspended until a full investigation was performed by an independent party and a detailed written response was provided to me. I did continue to receive statements

that added late fees and interest. After some time I received a form letter from a Vice President of CitiGroup named T Wingfield. I called the number on 3/05/2008 and spoke to a representative. I asked the representative if the letter that I had sent to Sears Mastercard was in her file. She responded, "Yes, it had been received." She then told me that if I did not pay the outstanding balance of over \$195 immediately my credit would be ruined by CitiGroup. I asked to speak to a supervisor. She responded that none were available. She asked why I didn't pay the rest of the charge withholding the \$10. I told her that I would not pay anything until I received a corrected invoice in the original amount of the purchase showing the \$10 credit. That is the proper procedure. I then terminated the call. To this date, I have not yet received a written response to my dispute of the charges that is required and I continue to receive statements with increased charges and threatening letters.

Several weeks ago I applied for financing of a new car and was denied the loan. I called the bank and inquired as to the reason. The loan officer stated that it was because of the recent delinquent account information provided by Sears on the MasterCard account. She said that it was the only thing on my credit report that caused the sudden drop in credit rating to 600.

I ask you. Is this what the Board of Governors allows credit card companies to do? Don't procedures mean anything? What avenue do you suggest I follow to correct this fraud followed by extortion? What is the law?

Thank you

Sincerely,

A handwritten signature in black ink, appearing to read "John R. Whitton", written over a horizontal line.

John R. Whitton
206 West Side Drive
Ballston Lake, NY
12019

(518) 573-7501